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February 22, 2011

Jennifer J. Johnson, Secretary
Board of Governors of the Federal Reserve System
20th Street and Constitution Avenue, NW
Washington, DC 20551

Re: Docket No. R-1404 (Debit Card Interchange Fees and Routing)
RIN No. 7100 AD63

Dear Ms. Johnson:

On behalf of Publix Super Markets, Inc. we respectfully submit the following comments and proposal in response to the notice of proposed rulemaking published by the Federal Reserve Board ("Board") in the Federal Register on December 28, 2010. *Debit Card Interchange Fees and Routing*, 75 Fed. Reg. 81,722 (proposed Dec. 28, 2010) ("NPRM").

Publix appreciates the extensive time and effort invested by the Board in drafting the NPRM and believes it is a good step in the regulatory proceeding of the Electronic Fund Transfer Act ("Section 920"). We are hopeful the proposed changes will be implemented on July 21, 2011 so we can begin passing on savings to our customers as soon as possible. Publix Super Markets, Inc., is an employee-owned company that brings an 80 year tradition of customer service throughout five states in the Southeastern United States. Today we operate 1,034 stores with more than 144,000 associates.

Section 235.3

Publix supports Alternative 1 of Section 235.3, Reasonable and Proportional Interchange Transaction Fees. Alternative 1 promotes incentives for issuers to keep costs low and drive efficiencies. The seven cent safe harbor is a 75 percent mark up from the results of your study on average weighted costs of four cents. The range of seven to twelve cents will promote network competition as opposed to the set fee of twelve cents in Alternative 2.

Smaller issuers will not be harmed by Alternative 1. VISA and First Data (Star Network) recently announced they would adopt a two tier interchange structure to allow for the exemption of smaller banks and credit unions. Additionally, Publix will continue to comply with the Honor All Cards rules.

Section 235.4

Publix supports the comments submitted by the Merchants Payment Coalition on January 20, 2011 concerning Fraud Prevention.

Section 235.7

In Section 235.7, we support Alternative B in the exclusivity and routing options of the proposed regulations. Alternative B is the only solution which follows the clear intent of the Durbin Amendment.

Researching this issue, we have found that many institutions, including small issuers, already have multiple pin debit network connections.

Our payment system vendor has stated that enabling multiple signature debit networks would be relatively easy and would follow similar processes that are already in place for pin debit transactions. Issuers would provide BIN tables for signatures just as they do for pin debit and the merchant would route the transaction accordingly. This can be completed with little administrative burden. Merchants would not have to replace pin pads or make changes to software, and issuers would not have to reissue cards until the end of their regular cycle. Alternative B could be implemented in early 2012.

Our goal is to continue our tradition of premier customer service. We are confident that with stable and predictable interchange rates we will manage our costs and pricing and ultimately provide our customers with a premier shopping experience.

Thank you for your consideration.

Sincerely,



Ed Crenshaw
Chief Executive Officer



David Phillips
Chief Financial Officer